



Senator Kent Adams

200 W. Washington St.
Indianapolis, IN 46204

News from the Indiana State Senate

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Senator Adams to Retire from the Senate

Senator Adams will retire from the Indiana legislature effective in November. He served in the Indiana House of Representatives beginning in 1988 and was named Outstanding Freshman Legislator in 1989. In 1992, he was elected to the Senate and is completing his third term.

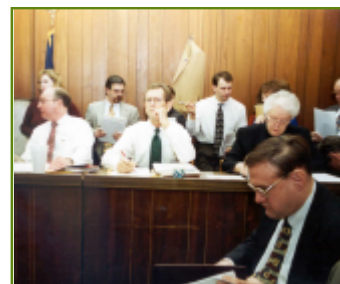
Senator Adams serves as a ranking member of both the Senate Environmental Affairs and the Senate Natural Resources Committees. He is also on the Senate Pensions and Labor and the Senate Governmental Affairs and Interstate Cooperation Committees.

Said Adams, "For the past 16 years, I have enjoyed working for the constituents in northern Indiana. It has been a very rewarding experience, and I will continue to have a great appreciation of state government."

Senator Adams demonstrated a defibulator on the floor of the Indiana Senate during the 1998 legislative session.



Senator Adams reflected on legislation before the Senate Finance Committee in 2000. Adams served six years on Finance, from 1995 to 2000.



Sen. Adams gained support for the "red light camera" bill that would have allowed communities the option of adding special sensory cameras at dangerous intersections.



Senator Adams and state dignitaries congratulated Century Business Award recipients in 1996.



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News from the Indiana State Senate

Indiana Personal Income Lags the Nation State Faces Tough Budget Decisions

On July 12, the state closed the books for Fiscal Year 2004. According to official figures released by the State Budget Agency, the state is expected to have a "surplus" or "reserve" of just \$300 million on June 30, 2005 - the close of the current budget cycle. This means the state's reserve will have declined by nearly \$2 billion since 1998.

The problem is that state spending has been exceeding state revenues for the past several years. State revenue collections actually decreased in both Fiscal Years 2001 and 2002 before showing a 0.5 percent increase in 2003. Revenue collections increased by about 2.7 percent for Fiscal Year 2004, the year that just ended.

In order to avoid big spending cuts in education and health care, the state has been using the surplus and employing spending delays and other temporary accounting measures. These measures make it possible for the state to spend nearly \$800 million more than it will collect this year. While there is nothing inherently wrong with these

accounting measures - they have helped the state avoid big spending cuts in our schools - these measures are only one-time temporary fixes and cannot be sustained. So, while it may seem like Indiana's economy is improving, the state's financial condition actually remains very weak.

A \$300 million reserve sounds like a lot of money. But with an annual \$11.2 billion General Fund Budget, including big items such as \$4.3 billion for K-12 education, \$2.1 billion for local property tax relief, \$1.4 billion for universities and \$1.2 billion for Medicaid, \$300 million really is not a sufficient reserve. In fact, the State Budget spends more than \$30 million per day every day of the year. A \$300 million reserve barely funds 10 days of expenses.

The root of Indiana's budget problems is slow revenue growth. Part of the problem is job loss due to the recession. But the real problem is that Indiana lags the nation in personal income growth. The problem has [see BUDGET page three](#)

Farmland Remains an Asset to Indiana

Indiana loses approximately 100,000 acres of farmland a year to the growth and development of subdivided neighborhoods. Hamilton and Johnson Counties have seen the most urban growth in recent years and because of that, some family farms are being forced to sell out to developers.

According to the Indiana Agricultural Statistics Services at Purdue University, the majority of farm loss occurred in mid-size farms and operations, which annually generate between \$10,000 and \$100,000 per farm.

Smaller and larger farms are either growing or have been profitable enough to continue their operations. This same research has found that commercial farms are consistently large enough to produce a positive return and those who own smaller farms are not liv-

ing solely off of the crop revenue.

Lawmakers have tried to step in and help prevent Indiana from losing more farms. In the 2004 legislative session, I supported a measure that would encourage the preservation of farmland. Senate Bill 362 would have allowed the Indiana Land Resource Council to work with local area planning departments to offer farmers and land owners compensation for voluntarily selling easements to restrict the land from developments. SB 362 passed the Senate but did not pass the House of Representatives because of time constraints.

Farmland has been and will continue to be the foundation for Indiana's largest industry. We must work together to save this precious land and Indiana's heritage.

Consumer Information

Unclaimed Property

The Attorney General reports thousands of unclaimed property listings all across the state of Indiana. Some possible sources of unclaimed property are: credit balances, old savings and checking accounts, unpaid wages, mutual fund shares, insurance proceeds, uncashed traveler's checks, and utility deposits.

You can contact the Indiana Attorney General's office to see if you or a relative has a claim. Visit www.indianaunclaimed.com or call, toll-free, **1-866-IN-CLAIM** (1-866-462-5246).

Unwanted Faxes

Contact the Federal Communications Commission to report any unsolicited faxes. You can file a formal complaint at www.fcc.gov/cgb/complaints.html or call, toll-free, **1-888-225-5322**.

Direct Mail Lists

Tired of receiving advertising through the mail? Remove your name from direct mail lists by visiting www.dmaconsumers.org or write to: Mail Preference Service
Attn: Dept 12851374
Direct Marketing Association
PO Box 282
Carmel, NY 10512

National No-Call List

Indiana led the way with the creation of a no-call registry. Federal legislators followed suit by creating a national do not call list. Consumers now can list both home and mobile phone numbers in order to prevent unsolicited telemarketing calls. To register your phone number on the national list, visit www.donotcall.gov. Additions to the list are updated every three months.



F.A.Q.

Frequently Asked Questions About Indiana State Government

Q: Why is the Indiana General Assembly called a "citizen legislature?"

A: Indiana lawmakers spend only a few months each year at the Capitol. The rest of the year, each legislator lives and works in the district he or she represents. Our part-time legislature offers substantial savings to Indiana taxpayers. The National Conference of State Legislatures ranks Indiana 45 among the 50 states with regard to the expenditures of the legislature per capita.

Q: Where is the money generated from gaming profits, such as the Hoosier Lottery, river boats, pari-mutuel, etc., going?

A: Of the \$670 million of the state's share of gaming profits in 2003, \$294 million was dedicated to the Property Tax Replacement Fund to help subsidize homeowners' local property tax bills through payment of homestead credits. The second-largest share, \$236 million, cuts the "license plate tax," the excise tax Indiana motorists pay annually when renewing their vehicle license plates, by up to 50 percent yearly.

Q: How does the General Assembly function when it is not in session?

A: The Legislative Council is composed of 16 legislators, including the speaker of the House, Senate president pro tempore, and floor leaders of the majority and minority parties. It is designed to provide an interim coordination structure for the General Assembly. Created in 1967 by combining and expanding existing legislative service agencies, the Council assists the General Assembly through its selection of interim study committees, research, fiscal analysis, and bill drafting staff.

Q: How does a senator author a bill?

A: A senator takes an idea for a bill to the non-partisan Legislative Services Agency. The staff provide necessary legal, fiscal, and research capabilities for the General Assembly. Drafting legislation, including major revisions of the Indiana Code, compiling and publishing the rules and regulations of state agencies, assisting study committees during the interim and standing committees during session, and furnishing figures on the estimated cost of existing or proposed state services are among the tasks performed by the LSA staff.



Study Committee Tackles Methods To Replace Property Taxes

“We want a better system,” and “Do no harm,” were the sentiments echoed in the Property Tax Replacement Study Committee, which has met several times at the Statehouse. The property tax situation in Indiana is a frustration shared by many as the newly-formed committee, consisting of legislators, farmers, businessmen, and homeowners, develops methods to reduce local government's reliance on property taxes.

The reassessment process is complete in 91 counties, and agencies and organizations are collecting data that will aid the committee and the legislature in figuring ways to replace over \$5.5 billion in property taxes collected each year and to provide oversight of over 9,000 levies and 172 different types of funds for local government programs and services.

This monumental task is being conducted due to a law passed during the 2004 legislative session. The committee must study the effects of eliminating 50 percent, 75

percent, and 100 percent of net property tax levies.

One major hurdle for the committee is to identify revenue sources capable of replacing property taxes and providing sufficient revenue to maintain essential government services. The commission will submit status reports to the Legislative Council, which is the administrative body of the General Assembly, in September.

The committee broke down into small groups that will work on five major issues during the year: 1) Property Tax Administration Issues; 2) Local Government Services; 3) Long Term Debt Issues; 4) Other State Tax Systems; and 5) Property Tax Levies and Controls.

The goal is to lessen local governments' dependence on property taxes and create a more equitable and fair method of funding local government. As the committee continues its work this year, I'll keep you informed of the progress or you can contact my office for further information.

Indiana's Progress on 'No Child Left Behind'

The biggest challenge many states are facing on education is how to implement the **No Child Left Behind Act of 2001** (NCLB) that was signed into law by President George W. Bush on January 8, 2003. The act expanded the federal role in education and set in place requirements that reach into every public school in America.

Thanks to the leadership of the General Assembly, Indiana helped lead the nation in school reform with the passage of Public Law 221 in 1999. P.L. 221 is Indiana's school improvement and accountability law that put in motion many of the same requirements that NCLB requires. The law focuses on improving education for all schools and ensuring Hoosier students have the skills they need to succeed.

Both NCLB and P.L. 221 require the following of our schools and educators:

- High academic standards

- Standardized Assessment tests
- Accountability for achievement
- Focus on the needs of all children
- Highly qualified teachers
- School safety measures
- School report cards
- Comprehensive data system (www.asap.state.in.us)

In recent months there has been criticism of potential flaws in NCLB. Congress and the Federal Department of Education are working to address these concerns, to allow more flexibility for low performing schools, and to improve special education. The General Assembly is committed to making sure that Indiana continues to ensure that no child is left behind.

For more information on this topic and other education related issues, please visit the Indiana Department of Education web site at www.doe.state.in.us.



SNAPSHOT: Senators Adams and Beckwith Skillman (R-Eadford) congratulate Community Focus Fund grant winner Kurt Carlson, president and CEO of the Bowen Center for Human Services.

Senator Adams achieved a 100 percent voting attendance record in the 2004 legislative session.

341 roll-call votes were recorded during the nine-week long session for bills, amendments, committee reports and procedural motions. Ten percent of the 503 Senate bills and 459 House Bills filed were sent to and signed by the governor.

BUDGET

cont'd from page one

steadily grown since 1996. Today, the average Hoosier worker earns only about 91 cents for every \$1.00 earned by the average worker nationwide. Just as Hoosier workers earn less, state tax revenues lag as well. If Indiana workers earned the same as the national average, the subsequent gain in tax revenues would erase the state's structural deficit. Indiana needs to improve its economy relative to the nation or Indiana's budget - and the ability to adequately fund priorities like education and health care - will remain a problem.

Beginning in January, the General Assembly will start work on the state budget for the next biennium. Much of the discussion will center on adequate funding for education and health care. But, it is equally important to continue to try to find ways to diversify the economy and stimulate business investment as the real long term solution to the state's budget dilemma.